

House File 718 - Introduced

HOUSE FILE _____
BY HELLAND

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for a telework tax credit and including a
2 retroactive applicability date provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2179YH 83
5 tw/mg:sc/l4

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1 1 Section 1. NEW SECTION. 422.11X TELEWORK TAX CREDIT.
1 2 1. a. The taxes imposed under this division, less the
1 3 credits allowed under section 422.12, shall be reduced by a
1 4 telework tax credit for a portion of the costs incurred by an
1 5 employer in the development and operation of a program that
1 6 allows employees to work from home using communications
1 7 technology instead of physically commuting to the workplace.
1 8 b. The amount of the tax credit shall be calculated by
1 9 adding together all of the following:
1 10 (1) Not more than ten thousand dollars for costs
1 11 associated with the initial creation of the program. These
1 12 costs may include the purchase of computer equipment, computer
1 13 software licenses, and the costs related to the planning,
1 14 consulting, and training required to develop the program.
1 15 (2) Six hundred dollars for each full-time employee who
1 16 works from home for at least twenty percent of that employee's
1 17 working days in the employer's tax year.
1 18 c. Not more than one million dollars of tax credits shall
1 19 be issued pursuant to this section, section 422.33, subsection
1 20 27, section 422.60, subsection 15, section 432.11M, and
1 21 section 533.329, subsection 2, paragraph "n".
1 22 2. An individual may claim a tax credit under this section
1 23 of a partnership, limited liability company, S corporation,
1 24 estate, or trust electing to have income taxed directly to the
1 25 individual. The amount claimed by the individual shall be
1 26 based upon the pro rata share of the individual's earnings
1 27 from the partnership, limited liability company, S
1 28 corporation, estate, or trust.
1 29 3. Any tax credit in excess of the taxpayer's liability
1 30 for the tax year is not refundable, but the taxpayer may elect
1 31 to have the excess credited to the tax liability for the
1 32 following two years or until depleted, whichever is earlier.
1 33 A tax credit shall not be carried back to a tax year prior to
1 34 the tax year in which the taxpayer first receives the tax
1 35 credit.
2 1 4. a. A taxpayer seeking to claim a tax credit pursuant
2 2 to this section shall apply to the department of revenue which
2 3 shall have the authority to approve the amount of the tax
2 4 credit and issue a tax credit certificate.
2 5 b. In applying for the certificate, the taxpayer shall
2 6 include information documenting the costs incurred and the
2 7 number of employees availing themselves of the program, as
2 8 described in subsection 1, paragraph "b".
2 9 c. A taxpayer shall apply for a tax credit certificate on
2 10 or before October 31, 2010.
2 11 d. After verifying the eligibility of a taxpayer for a tax
2 12 credit pursuant to this section, the department shall issue a
2 13 tax credit certificate to be attached to the taxpayer's tax
2 14 return. The tax credit certificate shall contain the
2 15 taxpayer's name, address, tax identification number, the
2 16 amount of the credit, and any other information required by
2 17 the department of revenue.
2 18 5. a. To claim a tax credit under this section, a
2 19 taxpayer must attach one or more tax credit certificates to
2 20 the taxpayer's tax return. A tax credit certificate attached

2 21 to the taxpayer's tax return shall be issued in the taxpayer's
2 22 name and expire on or after the last day of the taxable year
2 23 for which the taxpayer is claiming the tax credit.
2 24 b. The tax credit certificate, unless otherwise void,
2 25 shall be accepted as payment for taxes imposed pursuant to
2 26 chapter 422, divisions II, III, and V, and chapter 432, and
2 27 for the moneys and credits tax imposed pursuant to section
2 28 533.329, subject to any conditions or restrictions placed by
2 29 the department upon the face of the tax credit certificate and
2 30 subject to the limitations of this section.

2 31 c. Tax credit certificates issued under this section are
2 32 not transferable to any person or entity.

2 33 6. This section is repealed on June 30, 2011.

2 34 Sec. 2. Section 422.33, Code 2009, is amended by adding
2 35 the following new subsection:

3 1 NEW SUBSECTION. 27. The taxes imposed under this division
3 2 shall be reduced by a telework tax credit in the same manner,
3 3 for the same amount, and under the same conditions as provided
3 4 in section 422.11X.

3 5 Sec. 3. Section 422.60, Code 2009, is amended by adding
3 6 the following new subsection:

3 7 NEW SUBSECTION. 15. The taxes imposed under this division
3 8 shall be reduced by a telework tax credit in the same manner,
3 9 for the same amount, and under the same conditions as provided
3 10 in section 422.11X.

3 11 Sec. 4. NEW SECTION. 432.12M TELEWORK TAX CREDIT.

3 12 The taxes imposed under this chapter shall be reduced by a
3 13 telework tax credit in the same manner, for the same amount,
3 14 and under the same conditions as provided in section 422.11X.

3 15 Sec. 5. Section 533.329, subsection 2, Code 2009, is
3 16 amended by adding the following new paragraph:

3 17 NEW PARAGRAPH. n. The moneys and credits tax imposed
3 18 under this section shall be reduced by a telework tax credit
3 19 in the same manner, for the same amount, and under the same
3 20 conditions as provided in section 422.11X.

3 21 Sec. 6. RETROACTIVE APPLICABILITY DATE. This Act applies
3 22 retroactively to January 1, 2009, for tax years beginning on
3 23 or after that date.

3 24 EXPLANATION

3 25 This bill provides a tax credit to employers who develop
3 26 programs allowing their employees to work from home rather
3 27 than physically commuting to the workplace. The amount of the
3 28 credit is equal to the costs incurred by the employer to
3 29 establish the program, not to exceed \$10,000, plus \$600 per
3 30 employee participating. The tax credit is available against
3 31 the individual and corporate income taxes, the franchise tax,
3 32 the insurance companies tax, and the moneys and credits tax.

3 33 The total amount of credits that may be issued is limited
3 34 to \$1 million.

3 35 Taxpayers seeking to claim the credit must apply to the
4 1 department of revenue by October 31, 2010, for a tax credit
4 2 certificate and attach the certificate to their tax return.
4 3 The tax credit is not refundable or transferable and expires
4 4 June 30, 2011.

4 5 The bill applies retroactively to January 1, 2009, for tax
4 6 years beginning on or after that date.

4 7 LSB 2179YH 83

4 8 tw/mg:sc/14